

Message Text

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INFO OCT-01 ARA-16 ISO-00 EUR-25 CAB-09 CIAE-00 COME-00

DODE-00 DOTE-00 INR-10 NSAE-00 RSC-01 FAA-00 SP-03

SS-20 NSC-07 L-03 PA-04 USIA-15 PRS-01 DRC-01 /127 W

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P 082050Z JUL 74

FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC PRIORITY 8210

C O N F I D E N T I A L SECTION 1 OF 2 PORT AU PRINCE 1283

E.O. 11652: GDS

TAGS: ETRN, HA

SUBJECT: FRENCH INFLUENCE ON HAITI AIR TRANSPORT

REF: (A) P-AU-P 1220; (B) P-AU-P 1212; (C) SIMMS' LETTER
TO CORCORAN OF JUNE 17

1. SUMMARY: ON ITS OWN INITIATIVE, GOH PRESENTED ME ORALLY WITH DETAILS ON OWNERSHIP, EQUIPMENT, AND PERSONNEL OF HAITI AIR TRANSPORT (HAT), AND STATED CATEGORICALLY THAT AIR FRANCE INVOLVEMENT ON INTERNATIONAL SIDE CONSISTS SOLELY OF TWO TECHNICAL ADVISERS. GOH REP NOTED AIR FRANCE WAS ONLY AIRLINE WHICH RESPONDED TO GOH REQUEST FOR TECHNICAL ASSISTANCE, AND SUGGESTED SEVERAL FIELDS WHERE U.S. ASSISTANCE WOULD BE USEFUL. IN VIEW OF THIS DISCLOSURE AND FACTORS DESCRIBED IN REF A, I RECOMMEND CAB CONSIDER GRANTING LANDING RIGHTS WITHOUT ADDITIONAL HEARINGS. END SUMMARY.

2. I CALLED ON FOREIGN SECRETARY JULY 5 AT HIS REQUEST TO LISTEN TO AN EXPOSITION BY COMMERCE SECRETARY FOURCAND ON ANTECEDENTS AND PRESENT SITUATION OF HAITI AIR TRANSPORT, WITH SPECIAL REFERENCE TO REPORTS OF EXCESSIVE FRENCH INFLUENCE IN ORGANIZATION. FOURCAND'S PRESENTATION WAS LUCID, PRECISE, CONCILIATORY -- ESPECIALLY IN THAT HE EXPRESSED UNDERSTANDING OF U.S. POSITION THAT OTHER FOREIGN AIRLINES SHOULD NOT HAVE INFLUENTIAL POSITION WITH HAT. AT SAME TIME HE MADE A MEASURED, CONFIDENTIAL

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FIRM CASE FOR "BENEVOLENT AND COMPREHENSIVE" USG CONSIDERATION

OF APPLICATION WHICH HAD NOW BEEN UNDER REVIEW SOME 4 MONTHS.

3. FOURCAND STATED THAT THE CAPITAL OF HAT WAS 100 PERCENT HAITIAN, WITH 60 PERCENT BELONGING TO THE GOVERNMENT OF HAITI, 20 PERCENT BELONGING TO HENRI SICLAIT (DIRECTOR OF THE REGIE DU TABAC) AND 20 PERCENT OF THE SHARES IN THE NAME OF AUGUSTE DOUYON (PRIVATE SECRETARY OF THE PRESIDENT). IN ADDITION, ALL OF THE WORKING PERSONNEL AND MANAGEMENT OFFICIALS OF HAT ARE TO BE HAITIAN. TWO FRENCHMEN ARE TO SERVE WITH THE ORGANIZATION, BUT AS TECHNICAL ADVISERS ONLY.

4. WITH RESPECT TO EQUIPMENT, FOURCAND SAID THAT HAT HAD ENTERED INTO NEGOTIATIONS WITH CHARLOTTE AIRCRAFT OF MIAMI TO OBTAIN ONE BOEING 707 UNDER A WET LEASE ARRANGMENT, WITH THE POSSIBILITY THAT A SECOND PLANE WOULD BE LEASED LATER. (HE NOTED THAT IF USG HAD OTHER SUGGESTIONS AS A SOURCE OF AIRCRAFT, HE WOULD APPRECIATE RECEIVING THE NAMES.) SO FAR AS HAT'S INTERNAL SERVICE IS CONCERNED, ACCORDING TO FOURCAND THE GOH INVESTIGATED SEVERAL TYPES OF AIRCRAFT BUT WAS UNFORTUNATELY UNABLE TO AFFORD, AT THIS JUNCTURE, THE MOST SUITABLE (I.E. TWIN OTTER, THE TYPE BEING PRESENTLY OPERATED WITH EXCELLENT RESULTS BY TCA). ACCORDINGLY, 18 MONTHS AGO A REQUEST FOR ASSISTANCE WAS MADE TO THE FRENCH GOVERNMENT. THERE ARE NOW TWO DC-3'S, THE GIFT OF THE FRENCH GOVT, IN TOULOUSE AWAITING SHIPMENT TO HAITI.

5. WITH RESPECT TO SERVICING OF AIRCRAFT IN NEW YORK, FOURCAND STATED HE WANTED BEST SERVICE HE COULD GET FOR AIRLINE, AND SAID HE WOULD APPRECIATE RECEIVING OFFERS TO PROVIDE SUCH SERVICES FROM U.S. COMPANIES.

6. FOURCAND SAID THAT THE DECISION TO CREATE A NATIONAL AIRLINE WAS BASED ON THE CURRENT AIR MARKET, POINTING OUT THAT ABOUT 30 PERCENT OF ALL TRAFFIC ON THE CURRENT INTERNATIONAL LINES WAS HAITIAN, AND THAT OVER 50 PERCENT OF PASSENGERS TRAVELING BETWEEN NEW YORK AND PORT-AU-PRINCE ARE HAITIAN. HE SAID, HOWEVER, THAT HAITI HAS BEEN AWARE FROM THE START THAT THE OPERATION OF A NATIONAL AIRLINE WOULD REQUIRE FOREIGN TECHNICAL ASSISTANCE IN THE OPERATION OF INTERNATIONAL ROUTES, AND SOME FINANCIAL AND TECHNICAL ASSISTANCE WITH RESPECT TO CONFIDENTIAL

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EQUIPMENT FOR DOMESTIC FLIGHTS. AMERICAN AIRLINES HAD NEVER REPLIED TO A GOH REQUEST FOR ASSISTANCE, HE SAID, NOR WAS ANY TECHNICAL HELP AVAILABLE FROM THE CARIBBEAN TRAVEL ASSOCIATION OR THE CARIBBEAN CENTER. AIR FRANCE PROVIDED THE ONLY FIRM OFFER OF ASSISTANCE. FOURCAND ADDED THAT THERE WAS NO CONTRACTUAL RELATIONSHIP BETWEEN HAT AND AIR FRANCE, ONLY AN EFFORT TO COLLABORATE AND COOPERATE IN BUILDING UP HAT. HE SAID HE WOULD ALSO APPRECIATE ADDITIONAL TECHNICAL ASSISTANCE

FROM THE UNITED STATES, AND ASKED IF THE USG WOULD INVESTIGATE TO SEE IF A PUBLIC OR PRIVATE U.S. ORGANIZATION WOULD CONSIDER THE POSSIBILITY LENDING HAT ONE OR TWO EXPERTS. (AMERICAN AIRLINES HAS BEEN APPROACHED BUT NO REPLY HAS BEEN RECEIVED.) HAT NEEDS A MANAGEMENT EXPERT FOR APPROXIMATELY 12 MONTHS TO STRUCTURE THE INTERNATIONAL COMMERCIAL SECTION OF HAT, AND A SPECIALIST IN RESERVATIONS FOR A PERIOD OF SIX MONTHS.

7. IN DISCUSSING ROUTES, FOURCAND ASSURED ME THAT THE GOH DOES NOT HAVE THE FINANCIAL OR TECHNICAL ABILITIES TO OPERATE MORE THAN ONE ROUTE AT THE MOMENT -- THE NEW YORK-PORT-AU-PRINCE LINE. LATER, HE SAID, AS THE COMPANY DEVELOPS ITS ABILITIES, IT WOULD START THE PARIS ROUTE (EMBASSY UNDERSTANDS THIS WOULD BE THROUGH SAN JUAN). NO MENTION WAS MADE OF THE PORT-AU-PRINCE- MIAMI ROUTE. (COMMENT: FROM THIS, EMBASSY JUDGES THAT GOH WOULD BE SATISFIED WITH THE NEW YORK AND SAN JUAN RIGHTS.)

8. IN CLOSING, FOURCAND OFFERED TO PROVIDE ANY ADDITIONAL INFORMATION WHICH THE CAB MIGHT DESIRE.

9. COMMENT: WITH RESPECT TO VARIOUS POINTS BROUGHT UP BY CAB AND U.S. AIRLINES (REF C), FOLLOWING FACTORS SHOULD BE NOTED:

A) IN MY VIEW THIS PRESENTATION IS PROBABLY THE FULLEST DISCLOSURE WE CAN HOPE TO OBTAIN ON AIR FRANCE INVOLVEMENT WITH HAT. PROPOSED HEARINGS WOULD PROVIDE FORUM FOR ACCUSATIONS, BUT ADDITIONAL FACTS ARE NOT LIKELY TO BE FORTHCOMING.

B) IN WEIGHING WHETHER OR NOT AIR FRANCE WILL HAVE "SUBSTANTIAL INFLUENCE OR CONTROL" OVER HAT, DUE CONSIDERATION SHOULD BE GIVEN TO (1) PRESIDENT DUVALIER'S POLICY OF DEFENDING HAITI'S NATIONAL RIGHTS AGAINST PAST OR FUTURE INFRINGEMENTS (E.G. CANCELLATION OF DUPONT CARIBBEAN CONTRACT, RELUCTANCE TO GRANT FOREIGN EXTRACTIVE INDUSTRIES CONCESSIONS ON MINERAL

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RIGHTS BEFORE U.N. COMPLETES SURVEY), AND (2) CERTAIN HAITIAN PSYCHOLOGICAL TRAITS WHICH MAKE SUCH CONTROL UNLIKELY, I.E. HAITIAN NATIONAL PRIDE, SENSE OF DIGNITY, AND THE STRONG DISLIKE OF BEING PUSHED AROUND BY ANYBODY (EVEN WHEN IT MIGHT BE FOR HAITI'S OWN GOOD).

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SS-20 NSC-07 L-03 PA-04 USIA-15 PRS-01 DRC-01 /127 W

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C) WITH RESPECT TO ECONOMIC FEASIBILITY OF PROPOSED AIRLINE, I POINTED OUT DURING THE MEETING THAT IN SEEKING TO ENTER HIGHLY COMPETITIVE INTERNATIONAL AIR MARKET, HAITI SHOULD MAKE CERTAIN THAT SERVICE TO BE OFFERED WAS WITHIN ITS MEANS, COULD BE SUSTAINED AND IMPROVED, AND HAD SOUND TECHNICAL/ FINANCIAL BASE. FOURCAND INDICATED THEY HAD CAREFULLY WEIGHED SUCH FACTORS. THERE IS NO DOUBT THAT PROPONENTS OF AN INTER- NATIONAL AIRLINE FOR HAITI HAVE WON, BUT THOSE ELEMENTS IN THE GOH WHICH HAVE OPPOSED THIS ACTION HAVE AT LEAST SUCCEEDED IN LIMITING AND IMPOSING MORE RIGOROUS PLANNING CRITERIA ON THE RATHER AMBITIOUS ORIGINAL PLANS.

D) WITH REGARD TO CLAIMS BY U.S. AIRLINES THAT NO NEW ROUTES SHOULD BE ALLOWED BECAUSE THERE IS A PROBLEM OF OVER- CAPACITY AT PRESENT TIME, I NOTED THAT AMERICAN AIRLINES, EFFECTIE JULY 8 AND CONTINUING UNTIL FURTHER NOTICE, HAS DOUBLED ITS SERVICE NEW YORK/PORT-AU-PRINCE, INCREASING ROUND TRIP PASSENGER FLIGHTS FROM SEVEN TO FOURTEEN PER WEEK.

10. RECOMMENDATION: I RECOMMEND THAT (A) CONSIDERATION BE GIVEN TO ACCEPTING FOREGOING PRESENTATION BY FOURCAND AS A FULL AND COMPLETE DISCLOSURE OF THE RELATIONSHIP BETWEEN HAT AND AIR FRANCE AND (B) CAB CONSIDER GRANTING LANDING RIGHTS AT LEAST FOR PORT-AU-PRINCE-NEW YORK, WITHOUT THE ADDITIONAL TIME-CONSUMING HEARINGS ADDRESSED TO THE HAT/AF RELATIONSHIP WHICH U.S. AIRLINES ARE URGING.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, AIR TRANSPORTATION, LANDING RIGHTS, AIRLINES, MEETINGS, FOREIGN ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 08 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PORTA01283
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740181-0282
From: PORT AU PRINCE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740768/aaaacgio.tel
Line Count: 219
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) P-AU-P 1220; (B) P-AU-P 1212; (C,) SIMMS' LETTER
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 APR 2002 by shawdg>; APPROVED <25 FEB 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRENCH INFLUENCE ON HAITI AIR TRANSPORT
TAGS: ETRN, HA, US, CAB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005